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SIPDIS, SENSITIVE

OES/SAT FOR RUDNITSKY AND HODGKINS
USEU FOR GARRAMONE
PASS OMB FOR BECK

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TAGS: [TSPL](#) [TPHY](#) [TBIO](#) [ETRD](#) [EAGR](#) [OSCI](#) [TNGD](#)

SUBJECT: Austria's Schizophrenic Approach to Nanotechnology

¶1. (U) SUMMARY: The Austrian government is investing heavily in nanotechnology -- as part of a well-funded campaign to regain leadership in science and research -- but given Austria's poor track record in public acceptance of new technologies (including nuclear energy and green biotech), the GoA fears alarmism could undermine its efforts. To head off potential problems, the GoA has created a "Nano Initiative" to fund research and a "Nano Trust" which aims to manage risk issues surrounding nanotechnology. Despite this good start, the GoA's strategy is being tested by pressure groups who want a nano-labeling requirement for food, animal feed and cosmetics by late 2009 or early 2010. END SUMMARY.

Comparative Advantage

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¶2. (U) The Austrian science policy community has jumped onto the nanotechnology bandwagon with enthusiasm. While a catch-all term, Austrians see nanotechnology as a useful rallying point for more research funding. GoA policymakers believe Austria can be a leader on nanotechnology, given the country's strong foundation in the material sciences. In addition, nanotechnology is not seen as "big" science requiring huge investment by government and industry but rather as a field where smaller industries and more targeted government funding can bring results. This perceived comparative advantage led the GoA to set up the Nano Initiative in 2003 and the Nano Trust in 2007.

"Nano Initiative" and R&D Funding

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¶3. (U) The Nano Initiative is managed by the Austrian Research Promotion Agency (FFG) and has an annual budget of about EUR 10 million (generous by Austrian standards). According to Nano Initiative head Dr. Margit Haas, FFG typically funds nano-research via three-year contracts of EUR 2-5 million per research "cluster" (meaning consortium of companies, R&D firms and academia working on related smaller projects). FFG funds 60-80% of the total cost of each research project. So far, FFG has funded nine clusters in the following areas:

- Nanocomposites
- Photonic nanotechnology
- Photocatalytic nano-layers
- Organic sensors and opto-electronics
- Nano-coatings (diamond, tri-biological, and active coatings)
- Nano-imprint lithography
- Nano-materials for drug targeting, release and imaging

¶4. (U) FFG also bestows four "Nano Awards" each year (entitled "nanoBusiness", "nanoResearch", "nanoSociety" and "nanoYouth"), valued both as prize money and for prestige, and often a precursor to getting EU Framework grants. (FFG's promotion efforts have gone so far as to include supporting "Nano Camps" for teens.) Because its focus is on relatively near-market R&D, the Nano Initiative has continued to receive strong support from the GoA despite recent budgetary problems with basic R&D more generally. More information is available in English at www.nanoinitiative.at.

15. (U) The GoA also supports basic research in the nano-sciences through its traditional funding agency, the Austrian Science Fund (FWF). The FWF provides grants up to EUR 84,000 directly to individuals doing basic research; there are 132 such grants in nanotechnology (112 in physics, 20 in biology). Details on individual grants are available in English at http://www.fwf.ac.at/en/projects/projekt_such_e.html.

The Nano Trust and Risk Dialogue

16. (SBU) The GoA set up the Nano Trust within its Institute of Technology Assessment in 2007 as a three-year project to address risk assessment and risk communication. The GoA took this proactive stance because it did not want to face a repeat of the public outcry surrounding nuclear power (in the 1970s) and agricultural biotechnology (since the 1990s). In both cases, fervent public protests drove the government to ban each technology in Austria and lobby against acceptance in the European Union. According to Ulrike Felt from the University of Vienna, some policymakers now feel that green biotechnology in particular was "mishandled" and that the GoA should educate and engage the public earlier in the governance process. She also predicted that nanotechnology would be difficult to regulate because it is not really a single technology, but rather a group of divergent technologies, and as such does not fit the traditional model of regulation and control.

17. (U) The Nano Trust's responsibilities include:

-- evaluating R&D projects with regard to safety issues;
-- encouraging research on the risks associated with nanotechnology, including any ethical/legal/societal implications; and
-- opening a dialogue with the public about potential risks.

However, the Nano Trust has thus far limited its public outreach to discussions with scientists and key stakeholders; it does not in fact foresee engaging the public directly in a risk debate. (More information about the Nano Trust is available in English at www.nanotrust.at).

Limited Public Involvement

18. (U) A public debate on nanotechnology has not yet taken off in Austria. Media articles appear from time to time in newspaper science sections, and national ORF radio broadcast a series of four half-hour features in 2007. The Nano Trust has kept the risk debate largely behind closed doors; its working groups include the relevant ministries, the consumer protection agency, the Labor Chamber, the Economic Chamber, and a handful of NGOs (e.g., Global 2000/Friends of the Earth). NGOs are assisting the Nano Trust in developing a Nano Action Plan as a guideline for directing and implementing the GoA's future nano-research. They are also the moving force behind nano-labeling plans (see below).

19. (U) The GoA hopes to set up an online public discussion forum on potential risks, to be managed by a consumer protection agency such as the Austrian VKI. However, once the nanotechnology debate hits the public arena, there is a danger that Austrian media -- most of all its mass-circulation tabloids -- will play up potential risks (as with nuclear and GMO issues) and endorse a broad "no" to nanotechnology, in particular anything potentially affecting human/animal health including food, feed, and beauty products. Regulators seem to recognize that a coordinated public information campaign is needed, but have not taken decisive steps in that direction.

Austria Could be a First-Mover on Nano-Labeling

10. (U) Dr Michael Nentwich, Director of the Institute of Technology Assessment and the Nano Trust, told us that Austria will probably institute either voluntary or mandatory labeling for nano-materials in food, animal feed and cosmetic products soon. (NOTE: the GoA has already funded a project to identify nano-materials in food and cosmetics.) The GoA also strongly supported the nano-labeling position adopted by the European Parliament in April 2009. However, as the Nano Trust website points out, it will be difficult to regulate nano-materials in food because most food components are

already nano-structured and it is hard to distinguish between those that occur naturally and those that are man-made.

COMMENT

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¶110. (SBU) As Austria moves towards "nano-labeling" and perhaps "nano-free" labels -- either domestically, or in support of EU-level efforts -- we will closely monitor implications for U.S. producers. We understand that one potential impact is on animal feed, where nano-additives to reduce moisture/mold are starting to appear (NOTE: 30-40% of Austria's soybean feed comes from the U.S. and the rest mostly from South America). Ready-to-eat meals (a growing import from the U.S.) and cosmetics represent another potential trade impacts. The key question is whether the Austrian media and public will view nanotechnology as a step forward in material sciences and electronics (i.e. essentially neutral) or as a dangerous life-altering technology as with nuclear power and transgenic food.

END COMMENT.

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